

**MID-TERM REPORT
ON THE PROGRESS OF THE FIVE-YEAR IMPLEMENTATION PLAN
FOR THE PLEASANT HILL COMMONS AND SCHOOLYARD
REDEVELOPMENT PROJECTS
(2005 - 2009)**



**Prepared by the Pleasant Hill Redevelopment Agency
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Introduction

The state Community Redevelopment Law (“CRL”) requires every redevelopment agency to adopt a Five-Year Implementation Plan for its redevelopment projects. The Implementation Plan must identify the specific goals, programs and projects, and estimated expenditures for the agency’s redevelopment projects for a five year period. The Pleasant Hill Redevelopment Agency adopted its current Five-Year Implementation Plan for the Pleasant Hill Commons and Schoolyard Redevelopment Projects in November 2004, for the five year period from 2005 to 2009 (fiscal years 2004-05 through 2008-09).

The CRL also requires that at least once within the five year term of the plan, the agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment projects and the corresponding implementation plan and evaluating the progress of the redevelopment projects. The purpose of this Mid-Term Report is to provide a current status report on the goals, programs and projects, and estimated expenditures set forth in the current Implementation Plan, in order to evaluate the progress of the Commons and Schoolyard redevelopment projects.

This report is divided into six sections. Section 1 reviews the background of the Pleasant Hill Commons and Schoolyard Redevelopment Plans, the blighting conditions that gave rise to the Redevelopment Plans and the general goals and objectives contained in each of the Redevelopment Plans. Section 2 summarizes the Implementation Plan's five-year goals and objectives and the specific projects and programs proposed for the five-year period to accomplish those goals and objectives. Section 3 reviews the progress made towards meeting the Implementation Plan’s goals and objectives during the first three years. Section 4 compares the projected program expenditures to the actual program expenditures made in the first three years. Section 5 compares the Agency's estimated housing fund deposits and obligations to the actual housing fund deposits and obligations. Section 6 contains conclusions on the progress of the Redevelopment Plans in relation to the Implementation Plan.

Section 1: General Background

The Pleasant Hill Commons Redevelopment Plan was adopted on May 21, 1974 and has been amended several times since, to add territory and to amend or extend provisions of the Plan. The most significant amendment to the Plan was the addition of a 64-acre area, known as the “Monument Boulevard Area,” in June 2000.

The fiscal years in which the Commons Redevelopment Plan time limits will expire are as follows: (a) the time limit for commencement of eminent domain expires in fiscal year 2010-11 for the Original Commons Area and in fiscal year 2012-13 for the Monument Boulevard Area; (b) the time limit for establishing debt expires in fiscal year 2020-21 for the Monument Boulevard Area and is not applicable to the Original Commons Area; (c) the time limit for effectiveness of the Commons Redevelopment Plan expires in fiscal year 2016-17 for the Original Commons Area and in fiscal year 2031-32 for the Monument Boulevard Area; and (d) the time limit for repayment of indebtedness expires in fiscal year 2026-27 for the Original Commons Area (except for purposes of repayment of replacement housing obligations, which expires in fiscal year 2031-32), and in fiscal year 2046-47 for the Monument Boulevard Area.

The Schoolyard Redevelopment Plan was adopted on October 2, 1978 and has been amended several times since, to amend or extend provisions of the Plan.

The fiscal years in which the Schoolyard Redevelopment Plan time limits will expire are as follows: (a) the time limit for commencement of eminent domain expires in fiscal year 2017-18; (b) the time limit for establishing debt expires in fiscal year 2013-14; (c) the time limit for effectiveness of the Schoolyard Plan expires in fiscal year 2021-22; and (d) the time limit for repayment of indebtedness expires in fiscal year 2031-32.

The blight conditions described in the Commons and Schoolyard Redevelopment Plans, and cited in the current Implementation Plan, include: deteriorated structures, incompatible uses, inadequate recreation/open space, depreciated values and impaired investments; economic obsolescence; parcels of inadequate size or shape for proper development; and deteriorated or inadequate utilities and public improvements.

The general goals and objectives of the Commons Redevelopment Plan are: to eliminate blighting conditions; to renew and create economic stimulation within this area to create an environment which will establish the area as the center of community activity; to create a functioning balance of commercial (retail and office) and public space as well as residential uses which will re-establish the aesthetic, economic and social viability of the Commons Redevelopment Project Area; and to increase or improve the supply of housing for low- and moderate-income persons in the community.

The general goals and objectives of the Schoolyard Redevelopment Plan are: to eliminate blighting conditions; to provide for the development of the old Oak Park Elementary School site; to provide for improvements to Cleaveland Road; to, jointly with other public bodies, participate in the development of flood control programs; and to increase or improve the supply of low- and moderate-income housing in the community.

Section 2: Summary of Implementation Plan

A. Agency Five-Year Goals and Objectives

The Implementation Plan for the Pleasant Hill Commons and Schoolyard Redevelopment Plans includes the following specific five-year goals and objectives of the Agency for each of the Project Areas.

Commons Project

1. Redevelop and rehabilitate the Monument Boulevard Area of the Commons Redevelopment Project.
2. Continue to provide opportunities and assistance needed to property owners, business owners or other persons interested in improving and redeveloping properties to the highest economic use possible consistent with the Commons Redevelopment Plan.
3. Continue to increase, improve and preserve the supply of affordable low- and moderate-income housing in the community and provide such housing in the income and age categories needed based on the City's share of the region's needs.
4. Develop data on businesses in the community to serve as a tool for determining the types of businesses that will provide the best economically viable mix within the redevelopment areas of the City and for providing data on the City's website and GIS system that will promote the City's redevelopment areas and attract businesses to the City's redevelopment areas.

Schoolyard Project

1. Continue to redevelop and rehabilitate the Schoolyard Project Area.
2. Continue to provide opportunities and assistance to property owners, business owners or other persons interested in improving and redeveloping properties to the highest economic use possible consistent with the Schoolyard Redevelopment Plan.
3. Continue to increase, improve and preserve the supply of affordable low- and moderate-income housing in the community and to provide such housing in the income and age categories needed based on the City's share of the region's needs.
4. Develop data on businesses in the community to serve as a tool for determining the types of businesses that will provide the best economically viable mix within the redevelopment areas of the City and for providing data on the City's website and GIS system that will promote the City's redevelopment areas and attract businesses to the City's redevelopment areas.

B. Agency Five-Year Programs and Projects

The Implementation Plan for the Pleasant Hill Commons and Schoolyard Redevelopment Projects includes the following programs and specific projects for eliminating the blight conditions identified in Section 1 above and achieving the above-described goals and objectives of the Redevelopment Plans.

Commercial Development Assistance Program. The purpose of this program is to provide incentives, when necessary, to property owners, developers or investors to participate in the redevelopment of the Project Areas through either new commercial construction or rehabilitation. Specific projects in the Commons Project Area included redevelopment of the northern portion of the Contra Costa Shopping Center and adoption of a Specific Plan for the remaining portion of the Contra Costa Shopping Center to ensure the coordinated design and redevelopment of the shopping center area as a whole. Although the Agency did not anticipate any expenditures for this program for the Schoolyard Project Area during the Implementation Plan period, the program was included in the Implementation Plan for the purpose of providing non-financial assistance, if warranted, to plan and implement mixed-use redevelopment on the Oak Park School site.

Residential Development Assistance Program. The purpose of this program is to provide incentives, when necessary, to property owners, developers or investors to participate in the redevelopment of the Project Areas through either new residential construction or rehabilitation. Two specific projects in the Commons Project Area included in the Implementation Plan were redevelopment of 2.6 acres in the Jewell Lane Target Area and disposition of the Agency-owned parcels on Woodsworth Lane. The two specific projects identified for the Schoolyard Project Area in the Implementation Plan were redevelopment of the Katie Court Target Area and redevelopment of the Beatrice Road Target Area, as residential.

Housing Rehabilitation Program. This is a joint Commons and Schoolyard program. Its purposes are to provide loans of up to \$60,000 to owner-occupied households primarily of very low- and low-income within the community for rehabilitation of their dwellings, and to provide both administrative and technical assistance to persons participating in the program in applying for the loan, identifying the rehabilitation work needed and having the rehabilitation work completed in an acceptable manner.

Affordable Housing Program. This is also a joint Commons and Schoolyard program. Its purpose is to provide incentives, when necessary, to property owners, developers or investors to develop new low- and moderate-income housing within the community and, if needed, to provide incentives to property owners of existing housing to participate in this program by agreeing to restrict their rents to an “affordable housing rent” for at least the duration of the Commons Redevelopment Plan. A specific new project identified in the Implementation Plan was development of 14 affordable units as part of the new residential project within the Jewell Lane Target Area. (The Jewell Lane Target Area was combined with market units in the Katie Court Target Area located in the Schoolyard Project in order to make it economically feasible to develop the 14 affordable units). In addition, funds from this program were designated for continued assistance of the 70 very low-income units at Grayson Creek located outside the Commons Project Area.

Economic Development Assistance Program. This is another joint Commons and Schoolyard program. Its purpose is to focus on the development of a community assessment and Geographic Information System (GIS) during the first year of the program. Other possible activities after the first year of the program included updating of GIS and business related data to assist the Agency in remaining competitive in attracting and retaining businesses that will ensure the continued economic vitality of the Commons and Schoolyard Redevelopment Project Areas throughout the life of the Redevelopment Plans.

Section 3: Status of Goals and Objectives

Below is a description of the program and project activities the Agency has undertaken over the first three years of the Implementation Plan which have assisted in carrying out the Implementation Plan’s five-year goals and objectives.

Commons Project

The primary goal of the Implementation Plan for the Commons Project is the redevelopment and rehabilitation of the Monument Boulevard Area, in particular redevelopment of the Contra Costa Shopping Center. In furtherance of this goal, the Commercial Development Assistance Program was used to accomplish the following:

- Agency entered into a Participation Agreement with PH Holdings, L.P. on October 19, 2004, which resulted in redevelopment of the northern portion of the Contra Costa Shopping Center, including a 100,000 square foot Kohl’s Department Store, 38,000 square feet of other commercial development, parking improvements, and infrastructure improvements to Monument Boulevard and Buskirk Avenue.
- A Specific Plan for the remaining portion of the Contra Costa Shopping Center was adopted on March 6, 2006.
- The middle portion of the Contra Costa Shopping Center is currently under construction and will result in approximately 80,000 square feet of commercial development, including expansion of Friedmans Appliance, a long-time, existing business tenant of the shopping center, to over 23,000 square feet.
- Agency is continuing its efforts to work with the property owners of the southern portion of the Contra Costa Shopping Center for redevelopment of their properties.

- Agency is currently in the process of working with a consultant to prepare development scenarios for the triangle portion of the area along Monument Boulevard, and plans to begin discussions with property owners and business owners within the area to determine their interest in participating in redevelopment of their properties.

The second Implementation Plan goal for the Commons Project is the provision of opportunities and assistance to property owners, business owners or other persons interested in improving and redeveloping properties to the highest economic use possible consistent with the Commons Redevelopment Plan. In furtherance of this goal, the Agency has continued to work with property owners, business owners and others for commercial and residential redevelopment, and the Commercial Development Assistance Program and joint Commons and Schoolyard Economic Development Assistance Program were used to accomplish the following:

- The new development within the Contra Costa Shopping Center described above.
- The lease of the only significant remaining vacant space in the Downtown Project portion of the Commons Project, the former Artmosphere space. The new tenant, Paul Mitchell The School, is expected to be open for business by the end of 2007.

In addition, the Agency intended to use the Residential Assistance Program for redevelopment of the Jewell Lane Target Area. Activities included entering into exclusive negotiations agreements with developers for redevelopment of the combined Jewell Lane/Katie Court Target Areas. To date, however, none of these efforts were able to result in an economically feasible project. Therefore, as to the Jewell Lane Target Area, the Agency does not expect to expend additional monies and efforts to obtain a master developer for that area until and unless physical and/or economic conditions change to the extent that Agency intervention is necessary and feasible.

Schoolyard Project

The Schoolyard Project Implementation Plan goals of redeveloping and rehabilitating the Schoolyard Project Area and providing opportunities and assistance to property owners, business owners or other persons interested in improving and redeveloping properties to the highest economic use possible consistent with the Schoolyard Redevelopment Plan have continued to be pursued. In furtherance of these goals, the Agency intended on using the Residential Assistance Program to assist in development of the Katie Court Target Area and a portion of the Beatrice Road Target Area. Following is a description of the Agency activities and status of those projects:

- Agency entered into three exclusive negotiations agreements with developers for redevelopment of the combined Katie Court/Jewell Lane Target Areas, however, none of these efforts were able to result in an economically feasible project. Therefore, it is now the Agency's intention not to expend additional monies and efforts at this time to obtain a master developer for this project.
- Agency is in the process of hiring a consultant to determine the Agency's ability to refinance its existing debt in order to obtain additional funds that may be needed to assist in carrying out its goal of providing additional housing within the Schoolyard Project.
- Agency has continued to explore development of new affordable housing units within the Beatrice Road Target Area. However, development of the Beatrice Road Target Area is not

likely to occur within this Implementation Plan period. The majority of the land in the Beatrice Road Target Area is owned by the Contra Costa County Flood Control District. The Agency has had several discussions with the Flood Control District regarding residential development of the District's property, in anticipation that a flood control project would be provided on an alternative site. The desired alternative site was the former Oak Park Elementary School, also owned by Contra Costa County. However, the County has decided to sell the Oak Park School site for residential development. Until another site can be found for a flood control project, it is unlikely that the Beatrice Road Target Area will be made available for residential development. The Agency intends to continue working with all parties to explore other possible flood control measures.

Joint Commons and Schoolyard Project

In order to carry out the Commons and Schoolyard Projects' goal of continuing to increase, improve and preserve the supply of affordable low- and moderate-income housing in the community, the joint Commons and Schoolyard Housing Rehabilitation Program and Affordable Housing Program have been used to undertake or accomplish the following:

- Agency has expended \$705,000 in the first three years of the Implementation Plan in order to continue to provide 70 very low-income units at Grayson Creek. In addition, the Agency has expended \$960,771 from the Schoolyard Residential Assistance Program to provide 12 moderate-income units at Gallery Walk.
- Agency has expended \$437,696 in housing rehabilitation loans to eleven persons of very low-, low- or moderate-income in the community.

The other joint Commons and Schoolyard Projects' goal is the development of data on businesses in the community to serve as a tool for determining the types of businesses that will provide the best economically viable mix within the Commons and Schoolyard Project Areas and the provision of data on the City's website and GIS system that will promote and attract businesses to the Commons and Schoolyard Project Areas. In furtherance of this goal, the joint Commons and Schoolyard Economic Development Assistance Program has been used to undertake or accomplish the following:

- An Economic Development Strategic Plan was adopted by the Agency on June 20, 2005.
- A GIS-based property locator system, "Pleasant Hill Prospector," was completed in September 2006 and has been in operation on the City's website since that time.
- The Agency has completed numerous additional tasks under this program that are assisting in ensuring the continued economic vitality of the Commons and Schoolyard Project Areas by providing a growing and diverse economy for the community, increasing economic opportunity and prosperity for residents in the community and increasing revenue growth to fund City services. The Agency will focus on the following goals for economic development activities planned for the remainder of the Implementation Plan period: 1) promote the economic health of the downtown and the City; 2) create and maintain a dynamic and diverse economic base; 3) facilitate additional retail and commercial opportunities in the City; and 4) enlarge the City's revenue base to sustain and support the community.

Section 4: Program Expenditures

The Five-Year Implementation Plan is required to include Projected Program Expenditures for the five year period (fiscal years 2004-05 to 2008-09). Table 1 below compares the Projected Program Expenditures for the Commons Project Area for the five year Implementation Plan period to the Actual Expenditures for the first three years (fiscal years 2004-05 to 2006-07). The Remaining Balance is the difference between the five-year Projected Expenditures and the Actual Expenditures.

Table 1
Program Expenditures
Commons Project Area
Projected vs. Actual

Programs	Fiscal Years		
	2004-05 to 2008-09	2004-05 to 2006-07	2007-08 to 2008-09
	Projected Expenditures	Actual Expenditures	Remaining Balance
Commercial Development Assistance	\$4,817,000	\$3,365,098	\$1,451,902
Economic Development Assistance	\$ 50,000	\$ 17,026	\$ 32,784
Residential Development Assistance	\$ 282,000	\$ 0	\$ 282,000
Housing Rehabilitation	\$ 400,000	\$ 218,848	\$ 181,152
Affordable Housing	\$1,225,000	\$ 705,000	\$ 520,000
Debt Service	\$5,800,000	\$3,534,308	\$2,265,692
Payments to Taxing Agencies	\$ 640,000	\$ 449,549	\$ 190,451
ERAF Payments	\$ 510,000	\$ 521,612	\$ 0
Agency Administration	\$1,700,000	\$ 988,690	\$ 711,310

Following is an evaluation of the Actual Expenditures made in fiscal years 2004-05 through 2006-07 and the Remaining Balance in relation to the remaining goals and objectives to be achieved.

Commercial Development Assistance Program: The Remaining Balance is in line with the remaining program activities planned for this Implementation Plan period. The estimated Projected Expenditures for this program were for continuing reimbursements for the Downtown Project and redevelopment of the Contra Costa Shopping Center. The northern portion of the Contra Costa Shopping Center has been completed and the middle portion of the Shopping Center is currently under construction. The southern portion of the Shopping Center is the only remaining portion to be redeveloped or rehabilitated and it is estimated that the Remaining Balance is sufficient to provide the Downtown Project reimbursements for the next two years, and any assistance determined necessary over the next two years for the southern portion of the Contra Costa Shopping Center.

Economic Development Assistance Program: Less than half of the estimated Projected Expenditures has been spent during the first three years; however, the Agency will initiate an economic development study in Fiscal Year 2007-08 that is anticipated to require an additional \$17,537.

Residential Assistance Program: There have been no expenditures for this program to date. The estimated amount was for any potential assistance that may have been needed to accomplish redevelopment of the Jewell Lane Target Area and the Woodsworth Lane parcels owned by the Agency. As discussed in Section 3 above, the Agency does not intend on proceeding with redevelopment of the Jewell Lane Target Area at this time. In addition, the Agency has not attempted to sell the Woodsworth Lane parcels for affordable housing to date. During the remaining term of the Implementation Plan, the Agency plans to explore alternatives for making the Woodsworth Lane parcels economically feasible to develop. Therefore, no expenditures under this program are anticipated during the remaining Implementation Plan period.

Housing Rehabilitation Program: This program is a joint Commons/Schoolyard Program, and the Actual Expenditures made have resulted in eleven very low-, low- or moderate-income residential units being rehabilitated. This is only one unit less than the projected number of units to be assisted, and the Remaining Balance is sufficient to assist the remaining number of units projected to be assisted within this Implementation Plan period.

Affordable Housing Program: This program is also a joint Commons/Schoolyard Project. The Remaining Balance is in line with the remaining program activities planned for this Implementation Plan period. The estimated Projected Expenditures for this program were for continuing payments for the 70 affordable units at Grayson Creek. The Remaining Balance is adequate to continue these payments for the remaining two years of the Implementation Plan.

Debt Service: Since the Projected Expenditures are for five years and the Actual Expenditures for debt service for the first three years are equal to approximately three fifths of the Projected Expenditures amount (3 of the 5 year's worth of expenditures), the Remaining Balance is sufficient to pay debt service for the two remaining years of the Implementation Plan.

Payments to Taxing Agencies: The payments to taxing agencies are calculated on certain percentages of tax increment received by the Agency. Because the Agency has received more tax increment than projected due in large part to redevelopment of major portions of the Contra Costa Shopping Center, the payments to taxing agencies have increased. It is anticipated that over the five-year period, the total payments will increase by approximately \$165,358.

ERAF Payments: These payments were only required to be made for the 2004-05 and 2005-06 fiscal years during this Implementation Plan period; therefore, no additional expenditures for this item are projected. The amount of actual payments is more than the projected amount because the amount of the payment is calculated based on the amount of tax increment received by the Agency and, as discussed above, the Agency received more tax increment than projected.

Agency Administration: The Remaining Balance is approximately two fifths of the estimated Project Expenditures for the five-year Implementation Plan period; therefore, it is in line with the remaining two years of the Implementation Plan period.

Table 2 below compares the Projected Program Expenditures for the Schoolyard Project Area for the five-year Implementation Plan period to the Actual Expenditures for the first three years (2004-05 to 2006-07). The Remaining Balance is the difference between the five-year Projected Expenditures and the Actual Expenditures.

Table 2
Program Expenditures
Schoolyard Project Area
Projected vs. Actual

Programs	Fiscal Years		
	2004-05 to 2008-09 Projected Expenditures	2004-05 to 2006-07 Actual Expenditures	2007-08 to 2008-09 Remaining Balance
Residential Development Assistance	\$2,023,000	\$960,771	\$1,062,229
Commercial Development Assistance*	\$ 0	\$ 0	\$ 0
Economic Development Assistance	\$ 50,000	\$ 17,216	\$ 32,784
Housing Rehabilitation	\$ 400,000	\$218,848	\$ 181,152
Affordable Housing	\$ 510,000	\$ 0	\$ 510,000
Payments to Taxing Agencies	\$ 670,000	\$497,069	\$ 172,931
ERAF Payments	\$ 120,000	\$130,403	\$ 0
Agency Administration	\$ 750,000	\$423,724	\$ 326,276

*Although the Agency did not anticipate any expenditures for this program in this Implementation Plan period, the program was still included in the event of any non-monetary type of assistance the Agency could provide.

Following is an evaluation of the expenditures made from 2004-05 through 2006-07 and the Remaining Balance in relation to the remaining goals and objectives to be achieved.

Residential Development Assistance Program: The estimated Projected Expenditures for this program were for continuing reimbursements for the Gallery Walk Project and potential assistance for the Beatrice Road Target Area. The Remaining Balance is more than adequate to continue the required reimbursements for the remaining two years of the Implementation Plan and due to it being anticipated that the Beatrice Road Target Area will not proceed during this Implementation Plan period, there will be an approximate \$383,129 not used during this Implementation Plan period.

Commercial Development Assistance Program: No expenditures were projected and no expenditures have been made. This program was included in the Implementation Plan for the purpose of possibly providing only non-financial types of assistance.

Housing Rehabilitation Program: This program is a joint Commons/Schoolyard Program, and the Actual Expenditures made have resulted in eleven very low-, low- or moderate-income residential units being rehabilitated. This is only one unit less than the projected number of units to be assisted, and there are sufficient remaining funds to assist the remaining number of units projected to be assisted within this Implementation Plan period.

Affordable Housing Program: This program is also a joint Commons and Schoolyard program. There have been no expenditures from the Schoolyard Project funds for this program to date. The estimated amount was for any potential assistance that may have been needed to accomplish redevelopment of the Jewell Lane/Katie Court Target Area and the Beatrice Road Target Area. The Agency does not intend on proceeding with redevelopment of the Jewell Lane/Katie Court Target Area at this time and does not anticipate the Beatrice Road Target Area being redeveloped during this Implementation Plan period; therefore, no expenditures under this program are anticipated during the remaining Implementation Plan period.

Payments to Taxing Agencies: The payments to taxing agencies are calculated based on certain percentages of tax increment received by the Agency. Because the Agency has received more tax increment than projected due to development of the Gallery Walk Project, the payments to taxing agencies have increased. It is anticipated that over the five-year period, the total payments will increase by approximately \$181,132.

ERAF Payments: These payments were only required to be made for the 2004-05 and 2005-06 fiscal years, therefore, no additional expenditures for this item are projected. The amount of actual payments is more than the projected amount because the amount of the payment is calculated based on the amount of tax increment received by the Agency and, as discussed above, the Agency received more tax increment than projected.

Administration: The Remaining Balance is approximately two fifths of the estimated Project Expenditures for the five-year Implementation Plan period; therefore, it is in line with the remaining two years of the Implementation Plan period.

Section 5: Housing Component

This component of the Implementation Plan addressed certain Agency housing responsibilities under the CRL. The Agency's housing responsibilities are: to deposit at least 20% of its tax increment revenues into the Agency's Low- and Moderate-Income Housing Fund (the "Housing Fund") for the purpose of increasing, improving or preserving the community's supply of affordable low- and moderate-income housing, and to spend the Housing Fund monies for very low- and low-income housing units in proportion to the need as determined by the regional housing needs assessment and for those age groups under 65 in proportion to the community's household population as determined by the most recent census; to provide that 15% of all new or substantially rehabilitated housing units developed in the Project Area by entities other than the Agency and 30% of all new or substantially rehabilitated housing units developed by the Agency be available at an affordable housing cost to persons of low- and moderate-income for the longest feasible time ("Inclusionary Housing"); and to provide that whenever low- and moderate-income housing dwelling units are destroyed or removed as part of a redevelopment project, such units will be replaced within four years of their destruction or removal ("Replacement Housing").

The Implementation Plan was required to include the following data to help track the Agency's housing responsibilities: the estimated low- and moderate-income housing fund deposits; the estimated number of and expenditures for new, rehabilitated and price-restricted units assisted by the Agency; the regional housing need by income category and the Agency's proportional spending for each income category over a ten year compliance period (2005 - 2014); the regional housing need for families under 65 years of age and the Agency's proportional spending for such families over a ten year compliance period (2005 -

2014); the estimates of the number of new, substantially rehabilitated and price restricted housing units to be produced in both the Commons and Schoolyard Project Areas within a ten-year production period (2005 - 2014) and over the remaining life of the Redevelopment Plans; and the designation of suitable locations for replacement housing. For the purposes of this mid-term evaluation of the status and progress of the Agency's housing responsibilities, the housing data known or projected in the adopted Implementation Plan has been compared with the actual or revised data to date.

A. Low- and Moderate-Income Housing Fund Deposits

Table 3 below compares: (1) the amount of funds projected to be deposited in the Housing Fund for both projects for fiscal years 2004-05 through 2006-07 to the actual funds deposited in the Housing Fund in fiscal years 2004-05 through 2006-07; and (2) the amount of funds projected to be deposited in the Housing Fund for the five-year period to the actual funds deposited in the Housing Fund in fiscal years 2004-05 through 2006-07, plus the revised estimated of funds to be deposited in fiscal years 2007-08 and 2008-09.

Table 3
Pleasant Hill Commons and Schoolyard Redevelopment Projects
Estimated Annual Deposits to Affordable Housing Fund
Projected vs. Actual

Commons/Schoolyard Housing Fund		
Projected Deposits for 2004-05 to 2006-07	Actual Deposits for 2004-05 to 2006-07	Variance
\$1,865,000	\$2,577,886	+\$712,866
Projected Deposits for 2007-08 & 2008-09	Revised Projection for 2007-08 & 2008-09	Variance
\$1,313,000	\$2,018,977	+\$705,977
Total Projected Deposits	Total Actual + Revised Estimate	Total Variance
\$3,178,000	\$4,596,863	+1,418,863

The “Projected in Plan” amount is the amount that was projected to be deposited in the Housing Fund in the Implementation Plan. This projection was based on the estimated amount of tax increment the Agency would receive during that period. The “Actual” amount is 20% of the actual tax increment received by the Agency and deposited in the Housing Fund for fiscal years 2004-05 through 2006-07. Due to the substantial increase in tax increment received by the Agency as a result of redevelopment of major portions of the Contra Costa Shopping Center and development of the Gallery Walk Project, the deposits to the Affordable Housing Fund also have and will continue to substantially increase.

B. Estimated Number of and Expenditures for New, Rehabilitated and Price-restricted Units

Table 4 below compares the number of new low- and moderate-income housing units to be assisted and the expenditures for those units estimated in the Implementation Plan to the actual (for 2004-05 through 2006-07) or revised estimates (2007-08 and 2008-09) of the number of low- and moderate-income units assisted and expenditures for those units.

Table 4
Estimated New Units Assisted and Annual Expenditures
for 2004-05 to 2008-09 Plan Period
Combined Commons and Schoolyard Projects

Year	New Units Assisted		Expenditures	
	Estimated	Actual or Revised Estimate	Estimated	Actual or Revised Estimate
2004-05	0	0	\$ 312,000	\$529,489
2005-06	0	0	312,000	555,479
2006-07	14	0	341,000	235,000
2007-08	0	0	341,000	235,000
2008-09	17	0	430,000	235,000
Total	31	0	\$ 1,736,000*	\$1,789,968*

*Although no new units are being assisted in this Implementation Plan period, there are continuing annual expenditures for assistance to new units provided in years prior to this Implementation Plan period for the Grayson Creek and Gallery Walk Projects.

The reasons for the variances in the “Estimated” and “Actual or Revised Estimate” number of units in years 2006-07 and 2008-09 are as follows: (1) the Agency does not intend to proceed with the 14 Jewell Lane residential units estimated for 2006-07; and (2) it is now not anticipated that the 17 Beatrice Road residential units estimated for 2008-09 will be feasible during this Implementation Plan period. The reason for the increase in the “Estimated” and “Actual or Revised Estimate” expenditures for 2004-05 and 2005-06 and the decrease in fiscal years 2006-07 through 2009-09 is that due to the increased amount of tax increment generated and received by the Agency, the Agency’s housing obligations for the Gallery Walk Project were able to be paid off in the first two years by making larger payments, therefore, no Gallery Walk Project payments were required for the remaining three years.

Table 5 below compares the number of low- and moderate-income housing units to be rehabilitated and the expenditures for those units estimated in the Implementation Plan for the 2004-05 through 2006-07 fiscal years to the actual number of low- and moderate-income housing units rehabilitated and the actual expenditures made in fiscal years 2004-05 through 2006-07.

Table 5
Estimated Rehabilitated Units and Annual Expenditures
for 2004-05 through 2006-07
Combined Commons and Schoolyard Projects

Year	Rehabilitated Units		Expenditures	
	Estimated	Actual	Estimated	Actual
2004-05	4	4	\$ 160,000	\$166,000
2005-06	4	4	160,000	180,943
2006-07	4	3	160,000	90,753
Total	12	11	\$480,000	\$437,696

The actual rehabilitated units and expenditures are very close to the estimated rehabilitated units and expenditures and there are sufficient remaining funds in the Housing Rehabilitation Program to provide

assistance for the remaining estimated rehabilitated units. There were no price-restricted low- and moderate-income units estimated to be assisted during this Implementation Plan Period.

C. Expenditures Estimated Expenditures for Each Income Group and Annual

Table 6 below compares the estimated annual expenditures for each income group for the 2004-2005 through 2006-2007 fiscal years to the actual annual expenditures for each income group made in fiscal years 2004-2005 through 2006-07.

Table 6
Estimated Expenditures for Each Income Group and Annual Expenditures
for 2004-05 through 2006-07
Combined Commons and Schoolyard Projects

Year	Very Low	Low	Moderate
Estimated 2004-2005	\$ 315,000	\$ 80,000	\$ 77,000
Actual 2004-05	281,000	60,000	354,489
Estimated 2005-2006	315,000	80,000	77,000
Actual 2005-06	235,943	180,000	320,479
Estimated 2006-2007	315,000	109,000	77,000
Actual 2006-07	295,000	30,753	0
TOTAL ESTIMATED	\$ 945,000	\$ 269,000	\$ 231,000
TOTAL ACTUAL	\$ 811,943	\$ 270,753	\$ 674,968

The variances between the “Estimated” and “Actual” expenditures for very low- and low-income units were mainly due to slightly more low income participants than very low-income participants in the Housing Rehabilitation Program, and the inability to proceed with the affordable units anticipated for the Jewell Lane Target Area. The substantial increase in fiscal years 2004-05 and 2005-06 and the “Total Actual” expenditures for moderate income units was due to the Agency’s ability to pay off its housing obligation for the Gallery Walk Project earlier than anticipated. The Agency will continue to provide additional affordable units within the Commons and Schoolyard Project Areas and will utilize its Housing Fund for those purposes. In addition, the Agency may explore other methods of providing affordable housing, such as a first-time homebuyer’s program and an affordable covenant purchase program for rental units.

D. Inclusionary Housing Responsibilities

The Implementation Plan included: (a) the estimated number of units to be produced, substantially rehabilitated and price-restricted within the Project Areas both during the life of the Redevelopment Plans and during the ten-year production plan period of 2005 - 2014 (the “Housing Production Estimates”); and (b) the estimated number of housing units required in order for the Agency to meet its inclusionary housing obligations (the “Inclusionary Housing Estimates”). There have been no Redevelopment Plan or General Plan land use changes affecting the Housing Production Estimates in the Implementation Plan, therefore, the Inclusionary Housing Estimates in the Implementation Plan have not changed.

E. Replacement Housing Obligations

There have been no dwelling units housing low- or moderate-income persons destroyed or removed due to Agency activities during the first three years of the Implementation Plan; therefore, the Agency does not currently have any replacement housing obligations. In addition, the areas designated as suitable potential replacement housing in the Implementation Plan have not changed.

Section 6: Conclusions

Commons Project

As described in detail in Section 3 of this Report, the Agency has made significant progress in the first three years of the Implementation Plan period and continues to make substantial progress towards meeting the overall goals and objectives of the Commons Redevelopment Plan. In summary: (a) the original area of the Commons Project located on the west side of I-680 is near completion and the duration of the Commons Redevelopment Plan for that area still has ten years remaining; and (b) the Monument Boulevard Area of the Commons Project is in the beginning stages and the northern and middle portions of the Contra Costa Shopping Center, the major project in this area, are already either completed or in the process of being completed. There are still two years left in this Implementation Plan period for the Agency to continue to accomplish its goals and the duration of the Commons Redevelopment Plan for the Monument Boulevard area still has 24 years remaining; therefore, there is ample time to complete the goals and objectives of the Redevelopment Plan in this area.

Schoolyard Project

Although the two projects the Agency planned to accomplish during this Implementation Plan period, redevelopment of the Katie Court Target Area and the Beatrice Road Target Area, have not been able to proceed and are not anticipated to proceed during the remainder of the Implementation Plan period, the Agency's progress to date in carrying out the Schoolyard Redevelopment Plan goals and objectives has been substantial. Major redevelopment activities completed since adoption of the Schoolyard Plan include: redevelopment of the commercial properties along Contra Costa Boulevard north of Astrid Drive; elimination of one of the most significantly blighted areas of the Schoolyard Project Area, known as the Cleaveland Road Triangle, for redevelopment of new housing; rehabilitation of the Hookston Manor Senior Apartments; and development of the Chateau III Project.

Section 3 of this Report describes in detail the efforts and problems that have prevented the development of the two specific projects contained in the Implementation Plan.

During the remaining portion of the Implementation Plan period the Agency intends on supporting the exploration of other flood control alternatives and other possible funding sources that will be needed to continue to fulfill the goals and objectives of the Schoolyard Redevelopment Plan. In addition, the duration of the Schoolyard Redevelopment Plan still has 14 years remaining; therefore, there is still a significant amount of time to work on completing the goals and objectives of the Schoolyard Redevelopment Plan.

Housing Obligations

For both the Commons and Schoolyard Redevelopment Project Areas the Agency has been able to not only meet, but exceed, its housing obligations under the CRL.

As to the Housing Fund, the Agency continues to deposit 20% of its tax increment revenues into a Housing Fund. The Housing Fund provides monies for the Agency's Housing Rehabilitation Program and the Affordable Housing Program. In the last three years these programs have been responsible for: (1) continuing to provide 70 affordable multi-family units for very low income persons; and (2) the rehabilitation of eleven residential units housing very low-, low- or moderate-income persons.

As to the Agency's inclusionary housing obligations, due to its past activities, the Agency has exceeded its inclusionary housing obligations to provide very low-, low- and moderate-income housing units. In addition, although the estimated number of housing units to be produced during the Implementation Plan period will not occur, it does not change the estimated number of housing units for the ten-year production period (2005 - 2014) or for the life of the Redevelopment Plans; therefore, there are no changes to the existing inclusionary housing projections in the Implementation Plan.

As to the replacement housing provisions of the Implementation Plan, Agency activities have not resulted and will not result in the removal of any low- or moderate-income housing units during the Implementation Plan period and the areas designated as suitable potential replacement housing in the Implementation Plan have not changed; therefore, there are no changes to the existing replacement housing provisions of the Implementation Plan.

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